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During the second quarter of 1950, bank credits to the amount of DM 2,596,000,000 were granted. For the third quarter a limit of DM 3,695,000,000 credit was projected. A report is not yet available on the extent to which demands on this figure were made, but it appears that because of the extreme financial difficulties in which the people-owned enterprises find themselves, it will have been necessary to take maximum advantage of all allowed bank credits.

In the second quarter for 1950, the Handelsorganisation (HO) received bank credits of over DM 106,000,000. For the third quarter, HO asked for a credit of up to DM 215,000,000, which was granted. On 26 September, HO had nearly taken up credit for the full amount allowed in the third quarter.

The DDR budget for 1950 includes an expected income of DM 2,400,000,000 from the HO. However, the monthly gross income from HO sales has been approximately DM 180,000,000. At this rate the gross income would be only DM 2,160,000,000 for the entire year, and of this roughly sixty-five percent is profit.

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6. Since the end of September 1950, the cash on hand at the Deutsche Note bank and its approximately 90 affiliates in the Soviet Zone has been reduced from DM 1,100,000,000 to DM 850,000,000. This difference in cash standing is accounted for in the a) payment of DM 100,000 on pre-currency reform accounts belonging to the aged, b) increases in social security payments and pensions to retired persons, c) increases in salaries and wages. In order to avoid a further shrinkage of cash reserves, the Ministry of Finance has undertaken, in cooperation with the Deutsche Notenbank and the Soviet Zone organization of savings banks (Sparkassenverband), the development of new ideas for increasing savings deposits.
7. The need for money units of DM 1.00 and DM 2.00 has steadily increased. The Deutsche Notenbank, therefore, has plans for the issue of DM 100,000 in new notes of these denominations. The issue of the more desirable coins has been ruled out because of the shortage of non-ferrous metals. Even the supply of suitable paper for the printing of currency presents the greatest difficulty at present in bringing out the new issue. For this same reason, the printing of replacement notes had to be deferred until sometime in 1951.

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